Speaking of the Soviets

John Norris Maguire is angry. The president and chairman of the board at Software AG spent the greater part of seven months helping the FBI arrest a foreign agent who was trying to illegally obtain the source code to ADABAS, Software AG's data base management system, for the Soviet Government. The agent was finally arrested, "and faced 40 years in jail. I was ready to go down to the Alexandria courthouse and testify." Maguire declares, "but the CIA and the FBI plea bargained and the agent got off with a five-month sentence. I was furious that the Justice Department let him off with just a light sentence."

Based on his experience, Maguire advocates tougher laws to deter foreign governments from illegally obtaining U.S. technology. The government also needs to take a more active role in informing businessmen of export regulations, he says. Testifying before the U.S. Senate Permanent Subcommittee on Investigations, which is investigating legal and illegal Soviet acquisition of U.S. high technology, Maguire said, "the information currently available to businessmen on U.S. export laws, regulations and policy is negligible, despite the fact that businessmen are the real key to detection and enforcement. To the average businessman, the Export Administration Act and its concomitant regulations are, simply speaking, a terrible hassle.

"The government should first go through trade associations and disseminate the rules of the game," he says. "It's so hard to succeed in business that you tend to just focus on what you need to make your business go. There's very little knowledge of export regulations in the average technological company."

But foreign export and espionage are not the only legal protection problem software companies have. U.S. copyright laws also need to be revised, Maguire says. While software is afforded some protection under the states' trade secrets laws, that protection is "weak," Maguire explains, because it sets up a "Catch 22" situation. "The current copyright laws require that you register most of the information associated with the invention, but that violates the trade secrets law. You can't win."

Maguire says he endorses a current legislative proposal by the Association of Data Processing Service Organizations (ADAPSO) which details the inadequacies of existing copyright laws, proposes revisions and includes a clear definition of what computer software is. "We must define software and then give it some protection," he concludes. "Right now, the situation is very shaky."